STATE OF WASHINGTON

Phone: (360) 725-7000



OFFICE OF INSURANCE COMMISSIONER

In the Matter of KANAWHA INSURANCE COMPANY, An Authorized Insurer.

No. G05-60 ORDER SUSPENDING CERTIFICATE OF AUTHORITY NO.1931

To:

Stanley Johnson

President PO Box 610

Lancaster, SC 29721

IT IS ORDERED and you are hereby notified that Certificate of Authority No. 1931 issued to Kanawha Insurance Company to act as an insurer is hereby SUSPENDED pursuant to RCW 48.05.130, 48.05.140, and 48.05.150. This Order is effective immediately.

THIS ORDER IS BASED ON THE FOLLOWING:

Kanawha Insurance Company was given notice of my intent to issue this order by letter dated August 17, 2005.

RCW 48.05.250 requires every insurer admitted to do business in this state to file its annual financial statement with the Commissioner before March 1 of each year. Kanawha Insurance Company, as of the date of this order, has not filed its annual statement for the year ended December 31, 2004. RCW 48.05.250(3) requires the Commissioner to take action against the certificate of authority of any insurer that fails to timely file its annual statement.

The Insurance Commissioner of the State of Washington finds the sale, solicitation, or issuance of any new policies by Kanawha Insurance Company would be hazardous to its policyholders, contract holders, creditors, and the public of this state.

Chapters 48.04 and 34.05 RCW provide Kanawha Insurance Company the right to demand a hearing on this order.

ENTERED at Olympia, Washington this 30th day of August, 2005.

DECLARATION OF MAILING

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below I mailed or caused delivery of a true copy of this document to STANIEU JOHNSON

Michael G. Watson

Chief Deputy Insurance Commissioner

at Olympia, Washington,

DATED this 30th day of